

Function 300: Natural Resources and Environment

Function 300 includes programs in a variety of federal agencies concerned with the following: development and management of the nation's land, water, and mineral resources; recreation and wildlife areas; and environmental protection and enhancement. Agencies with major program activities within this function include: the Environmental Protection Agency (EPA); the Army Corps of Engineers; the National Oceanic and Atmospheric Administration; the US Forest Service; and the Department of the Interior. This function does not include the large-scale environmental clean-up programs at the Departments of Defense or Energy (see *Function 050: National Defense* and *Function 270: Energy*).

The conference agreement on the Republican budget resolution provides \$24.2 billion in appropriations for natural resources and environmental programs for 2001. This funding level is \$100 million above the 2000 freeze level and represents a \$600 million cut in purchasing power. The conference agreement continues to cut the purchasing power of these programs in subsequent years; by 2005, the level in the conference agreement represents a \$2.9 billion (10.7 percent) cut in purchasing power. Mandatory spending for 2001 is \$0.9 billion, \$200 million more than the spending projected under current law. Over five years, the conference agreement assumes mandatory spending of \$4.7 billion, an increase of \$1.3 billion over projected spending.

- **Comparison with the House and Senate Resolutions** — For Function 300 appropriations, the conference agreement splits the difference between the funding levels in the House and Senate resolutions. For 2001, the conference agreement provides \$24.2 billion, \$100 million less than House level and \$100 million more than the Senate level. Over 2001-2005, the conference agreement provides \$121.4 billion, \$1.1 billion below the five-year House total and \$1.1 billion above the Senate total.

As described above, the conference agreement contains higher mandatory spending than that projected under current law. This increase reflects the levels in the Senate resolution; the House resolution assumed no net change from the spending under current law. According to Senate Budget Committee documents, this increase assumes the adoption of a proposal to increase payments to rural counties that currently receive a share of federal timber receipts and of another proposal to extend the recreational fee demonstration programs of the Interior Department and the Forest Service.

- **Comparison with the Democratic Alternative** — For 2001, the conference agreement provides \$800 million less in appropriations for this function than the Democratic alternative resolution. Over 2001-2005, the conference agreement provides \$9.2 billion less than the Democratic alternative. The Democratic alternative fully accommodated the President's

Lands Legacy Initiative and fenced off the funding to ensure that it went to land and water conservation programs. The Democratic alternative also provided funding for the President's Livable Communities Initiative, which helps communities grow in ways that ensure both a high quality of life and sustainable economic growth.

- ***Agreement Drops Senate's Arctic Drilling Provisions*** — Unlike the House resolution, the Senate resolution assumed \$1.2 billion in additional oil receipts by 2005 from drilling in the Arctic National Wildlife Refuge (ANWR), which is not permitted under current law. The assumed receipts were shown in Function 950 (Undistributed Offsetting Receipts). Amendments to strike this assumption from the Senate resolution were unsuccessful both in committee mark-up and on the Senate floor. However, due to broad opposition, particularly from environmental groups and Congressional Democrats, the conference committee dropped the ANWR provision from the final agreement.
- ***No Room for the Lands Legacy Initiative*** — The conference agreement does not specify any assumptions regarding the President's Lands Legacy Initiative, but the funding levels leave little room for the President's proposal. For 2001, the President proposed to double the funding for certain land and water conservation programs to \$1.4 billion. The lack of available funding means that the federal government passes up the opportunity to help states and localities adopt "smart growth" strategies, preserve open space, and restore urban parks. As mentioned above, the Democratic alternative fully accommodated this initiative and fenced off the funding to ensure that it went to conservation programs.
- ***Continued State and Local Assistance Placed in Jeopardy*** — For 2000, EPA is providing \$2.6 billion in grants to finance wastewater and drinking water treatment plants. However, even this amount does not fully address the nationwide backlog of needed infrastructure improvements. Because the conference agreement's funding levels for environmental appropriations do not keep pace with inflation, there will be fewer real resources for communities in need.